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TAGS: [PREL](#) [ECON](#) [ETRD](#) [ENRG](#) [EU](#) [RS](#)  
SUBJECT: RUSSIA-EU SUMMIT: SHARPER RHETORIC, FEWER RESULTS

REF: A. MOSCOW 2331  
[1](#)B. MOSCOW 2303

Classified By: Political M/C Alice G. Wells. Reasons: 1.4(B/D).

[1](#)1. (C) Summary: President Putin met with EU representatives near Samara May 17-18 to discuss the future of the Russia-EU relationship, Kosovo and Estonia, and trade and investment flows. Russian and EU participants had low expectations for a positive outcome; the Summit was marked by few deliverables and no concluding joint statement. Putin complained that bilateral issues between Russia and its neighbors were derailing opportunities for a new relationship with the EU as a whole. The sides agreed to refer the Russian ban on Polish meat exports to political sherpas. Chancellor Merkel pushed hard for a Kosovo UNSCR, but Moscow remains unconvinced, and the Europeans criticized Russia's actions towards Estonia following Tallinn's decision to move a Soviet war memorial. Putin and Merkel had a testy public exchange about Russian efforts to prevent participation in a protest march in Samara, but private discussions were more cordial. Economic discussions centered on Russian accession to the WTO. Russia is in no hurry to conclude a new Partnership and Cooperation Agreement with the EU. End Summary.

[1](#)2. (SBU) President Putin met with EU representatives May 17-18 at Volzhskiy Utyos, a resort on the Volga River outside of Samara. Both the German and EU Commission noted the care lavished on the summitry; the Brezhnev-era resort had clearly benefited from a USD 100 million makeover. The EU delegation, led by German Chancellor Merkel and EU Commission President Barroso (EU High Rep Solana did not attend) met informally with Putin for a May 17 dinner that focused mainly on political topics such as Kosovo. The formal Summit meeting on May 18 focused on economic topics, including the future of the Partnership and Cooperation Agreement (PCA). A news conference following the plenary was marked by testy exchanges over the detention of political activists who had planned to attend a protest march in Samara timed to coincide with the Summit (reftel A).

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Low Expectations Summit  
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[1](#)3. (C) Russian press coverage in advance of the Summit, citing Kremlin sources, stressed that it was taking place at a low point in Russia-EU relations and played down expectations of Summit accomplishments. According to the European Commission and German Embassy, the Germans pulled out all the stops in an attempt to salvage the Summit, but there were few hopes of significant deliverables. The Germans told us that German FM Steinmeier spent four and a half hours with Putin in Moscow on May 14 (two hours one-on-one) trying to ensure that the meetings were not a total loss. This did not lead to any concrete results, but

at least created a more constructive atmosphere than the Germans expected going in to the meetings.

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New Partnership Agreement on Hold  
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¶4. (C) The German Embassy said there had been a lively discussion in the plenary on EU priorities and its ability to engage with Russia, with Putin noting that the "last wagon in the train" (Baltics/Poland) determined the pace. Putin reiterated the GOR position that the EU was in disarray, not Russia, and questioned the degree to which "solidarity" would allow bilateral issues to derail a multilateral partnership. On Russia's ban on Polish meat imports, Putin stressed that Russian concerns were real. Pointing to the frequent exchanges between Germany and Poland on meat, he noted that these are resolved at a technical level, whereas Poland elevated its conflict with Russia to the political level.

¶5. (C) Neither Merkel (nor Steinmeier in his earlier meetings) were able to produce much movement on lifting the ban, which has stymied discussions of a new PCA. The sides did agree to appoint political sherpas (Presidential EU Advisor Yastrzhembskiy for the Russians) who are slated to meet in Berlin May 29 to chart a roadmap to resolve the dispute. The European Commission saw the replacement of Agriculture Minister Gordeyev as Moscow's lead in negotiations as a positive step and hoped the roadmap would be finalized by mid-June. Later, in the press conference, Putin challenged the "economic selfishness" of some EU members.

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Focus on Kosovo and Estonia  
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¶6. (C) The German Embassy told us that Kosovo was the main topic of the Thursday evening informal, with Merkel pushing for the adoption of the UNSCR in the next four to six weeks. The GOR was not persuaded, according to the Germans. Putin challenged the EU for its failure to condemn Estonia's decision to move the Bronze Soldier statue, according to the European Commission, but was told that if Russia had a problem with one EU member, it had a problem with the EU and that the siege of the Estonian Embassy in Moscow had violated Russia's responsibilities under the Vienna Convention. The German Embassy said that Putin lamented the fact that Russia had not been able to transcend the Soviet legacy with the EU's newest members as it had with Germany, and that this prevented a forward-looking approach with the EU as a whole.

¶7. (C) The GOR responded enthusiastically to the German proposal to invite Afghanistan and Pakistan to the G-8 Summit, with FM Lavrov briefing on his February visit to Kabul and plans for private Russian investment. The EU pushed off Lavrov's attempts to spur a Russia-EU discussion of missile defense, noting that the EU did not have a competency in this area.

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Sharp Exchanges over the March of Dissent  
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¶8. (C) The sharpest public exchanges at the joint press conference grew out of GOR attempts to prevent participants from reaching a May 18 March of Dissent in Samara. The German Embassy said that Merkel and her colleagues had been sandbagged by the press over the "detention" of Garry Kasparov and other March participants at a Moscow airport on allegations they had counterfeit airline tickets. The Europeans had been dismayed by the Russian antics, but both the German Embassy and EC representatives observed that the chilliness of the press conference was pitched to an international and German domestic audience, and did not reflect the tone of the internal conversations. Putin, as usual, was in fighting form and went on the offensive,

privately noting that Russian actions did not differ demonstrably from what Germany had implemented in advance of the G-8 summit. Publicly, while Merkel delineated between peaceful and violent demonstrators, Putin quoted back German news reports of the preventative detention of 146 opposition activists, with no prior history of violence. Putin went on to say that Russia had nothing to fear from such "marginal groups," but that protesters sometimes "provoked" law enforcement agencies to use violence. According to the German Embassy, there was no broader discussion of internal politics (e.g. transparent and competitive elections).

¶9. (SBU) The march itself drew anywhere from 100-500 participants, who were outnumbered by journalists and spectators. Police presence was heavy, but discrete. Local authorities were prepared for the worst: they bussed in police from other regions and had water canons on hand. The route was lined, but the majority of security forces waited in building courtyards. A few OMON troops were present, but dispersed. Participants were mostly young people, with a few pensioners. Speeches were made without the benefit of bullhorns and, according to one of our contacts, there was an air of "disorganization and lack of purpose." The demonstration fizzled out after about an hour as participants drifted away, although it was scheduled to last an hour and a half.

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Some Progress on Economic Issues  
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¶10. (C) In discussions with the EU mission and the German Embassy, economic discussions were portrayed as the relative bright point of the Summit. Although no significant agreements were reached, the tone of the discussions was positive and Merkel, Putin and Barroso all highlighted booming two-way trade and investment flows in the press conference. On WTO, the EU reiterated its support for Russian accession, and noted that rail tariffs and export duties were the key remaining issues in the ongoing multilateral negotiations. The two sides agreed that the accession process should be "accelerated," but with no specifics on how that might be achieved. (Note: Because EU Trade Commissioner Mandelson did not attend, no trade negotiations took place at the summit or on the margins).

¶11. (C) Despite the lack of a mandate to begin new PCA negotiations, the German Embassy reported that informal discussions on economic initiatives have already begun, and produced several small deliverables for the Summit. These included agreements to create an "early warning system" for

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energy shipment disruptions, to reinvigorate a bilateral dialog on investment issues, to intensify exchanges in the areas of education, culture and research, and to facilitate customs procedures. Putin also committed to signing an agreement on Siberian overflight fees no later than November.

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What Next?  
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¶12. (C) The German Embassy was blunt in observing to us that the Summit deliverables were negligible and that the German presidency, so far as Russia was concerned, had been "a complete failure." According to the Russian experts we talked to immediately before the Summit, the Russians are in no hurry to conclude a new PCA. The current agreement expires in November, but will be automatically renewed annually unless one of the parties objects. In their view, Moscow has still not decided on what sort of relationship it should seek with the EU; the current agreement (negotiated in 1994) is seen as a relic of a weaker Russia and a different EU, but for the moment, there is no need to change its terms. The European Commission told us that they had little expectation of forward movement on a new PCA during the Portuguese and Slovene presidencies and thought that

significant progress would await the French presidency in  
¶2008.

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Comment  
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¶13. (C) The GOR approached the German EU presidency with high expectations that Germany's weight in the EU and its role as Russia's favored interlocutor could help move the Russia-EU relationship forward. However, continuing disputes between Russia and its neighbors, including Poland, Lithuania and Estonia, and corresponding GOR miscalculations about the ability or willingness of Russia's old friends to carry Moscow's water stymied Russian diplomacy. As Putin's traditional allies like Chirac, Berlusconi and Schroeder have disappeared from the political scene, Russia has not adjusted its strategy. We expect that the review of Russia's European aims will now have to await Putin's successor. In the meantime, Moscow is counting on Europe's continued dependence on Russian energy and booming investment flows to ensure that Russia's views will not be ignored.  
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